

CERTIFICATE OF SERVICE

I, Tim Roberts, hereby certify that on the 12th day of March, 2007, I caused Defendant LeoPalace Resort's Notice of Rescheduled Deposition (re: Viviene Villanueva) to be served upon the following via US Mail and email:

Angela D. Morrison
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
333 S. Las Vegas Boulevard, Suite 8112
Las Vegas, NV 89101

I further certify that on the 12th day of March, 2007, I caused a copy of Defendant LeoPalace Resort's Notice of Rescheduled Deposition (re: Viviene Villanueva) to be served upon the following via hand delivery:

Philip Torres, Esq.
TEKER TORRES & TEKER, P.C.
130 Aspinall Avenue, Suite 2A
Hagåtña, Guam 96910

Dated: March 12, 2007


TIM ROBERTS

Dooley Roberts & Fowler LLP
Suite 201, Orlean Pacific Plaza
865 South Marine Corps Drive
Tamuning, Guam 96913
Telephone (671) 646-1222
Facsimile (671) 646-1223

RECEIVED

JAN 31 2007

By Dre Time: 4:11pm
Teker Torres & Teker, P.C.

Attorneys for Defendant LeoPalace Resort

IN THE DISTRICT COURT

OF GUAM

U.S. EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,

) CASE NO. 06-00028

Plaintiff,

)

vs.

)

LEO PALACE RESORT,

)

Defendant.

)

JENNIFER HOLBROOK,
VIVIENE VILLANUEVA and
ROSEMARIE TAIMANGLO,

) DEFENDANT LEOPALACE RESORT'S
FIRST REQUEST FOR PRODUCTION OF
DOCUMENTS TO PLAINTIFF-
INTERVENORS; CERTIFICATE OF
SERVICE

Plaintiff-Intervenors,

)

vs.

)

MDI GUAM CORPORATION dba LEO
PALACE RESORT MANENGGON HILLS
and DOES 1 through 10,

)

Defendants.

)

)

TO: Plaintiff-Intervenors Jennifer Holbrook, Viviene Villanueva and
Rosemarie Taimanglo and their attorney of record, Teker Torres & Teker, P.C.

Pursuant to Rule 34 of the Federal Rules of Civil Procedure, Defendant LeoPalace Resort,

EXHIBIT

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("Defendant") hereby requests Plaintiff-Intervenors Jennifer Holbrook, Viviene Villanueva and Rosemarie Taimanglo, to make available for inspection and copying at the offices of Dooley Roberts & Fowler LLP, Suite 201, Orlean Pacific Plaza, 865 South Marine Corps Drive, Tamuning, Guam 96913, within thirty days from today's date, the documents described herein.

DEFINITIONS

1. The word "document" includes writings, drawings, graphs, charts, photographs, and all electronic data capable of being converted into a document, such as email.
2. The pronoun "you" or "your" refers to Plaintiff.

INSTRUCTIONS

1. Under Rule 34(b) of the Federal Rules of Civil Procedure you are required to produce the requested documents as they are kept in the usual course of business or to organize and label them to correspond with the categories in this request.
2. For each document responsive to this request that is withheld under a claim of privilege or work-product immunity, provide a statement under oath, by a person having personal knowledge, setting forth as to each document or portion withheld:

- (a) The number and subject of each paragraph of this request that seeks its production;

Defendant Leo Palace Resort's First Request
For Production of Documents to Plaintiff-Intervenors
EEOC v. Leo Palace Resort
Case No. 06-00028
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- (b) The name and title of the author(s);
- (c) The name and title of each person to whom the document was addressed;
- (d) The name and title of each person to whom a copy of the document was sent;
- (e) The date of the document;
- (f) The number of pages;
- (g) A brief description of the nature and subject matter of the document;
- (h) The identity of each person to whom the document, its contents, or any portion thereof is known or has been disclosed;
- (i) The exact location of the original and each copy of the document as of the date of receipt of this request; and
- (j) If the document is withheld on any ground other than privilege, each basis that Plaintiff contends justifies its withholding.

3. If you are aware of any document otherwise responsive to these requests that is no longer in your custody or control, please identify the name and title of the author, the name and title of the addressee, the date of the document, the subject matter of the documents, the last date on which the document was in your control, the person(s) or entity, if any, now in control of the document, the reasons for your disposition or release of the document, all persons who have knowledge of the circumstances surrounding its disposition, and state what knowledge each such person has.

4. Reference to the singular includes the plural and reference to the plural includes the singular.

Defendant Leo Palace Resort's First Request
For Production of Documents to Plaintiff-Intervenors
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DOCUMENTS REQUESTED

Plaintiff-Intervenors are requested to produce the following documents:

1. All documents generated by any health care provider related to any treatment received by the Claimants as a result of the incidents made the subject of suit in this civil action. LeoPalace will agree to any reasonable confidentiality agreement with respect to the production of these documents.
2. All documents evidencing the Claimants' income earned from any source for the years 2001, 2002, 2003, 2004, 2005, and 2006, including their tax returns. LeoPalace will agree to any reasonable confidentiality agreement with respect to the production of these documents.
3. All documents prepared by LeoPalace's former Night Manager Gregory Perez related to any of the incidents made the subject of suit in this civil action.

DOOLEY ROBERTS & FOWLER LLP

Dated: 11/31/07

By: 

TIM ROBERTS, ESQ.
Attorneys for Defendant

Defendant Leo Palace Resort's First Request
For Production of Documents to Plaintiff-Intervenors
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CERTIFICATE OF SERVICE

I, Tim Roberts, hereby certify that on the 31st day of January, 2007, I caused the Defendant Leo Palace Resort's First Request for Production of Documents to Plaintiff-Intervenors to be served upon the following via US Mail and email:

Angela Morrison
U.S EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
255 East Temple Street, Fourth Floor
Los Angeles, California 90012

I further certify that on the 31st day of January, 2007, I caused a copy of Defendant Leo Palace Resort's First Request for Production of Documents to Plaintiff-Intervenors to be served upon the following via hand delivery:

Philip Torres, Esq.
TEKER TORRES & TEKER, P.C.
130 Aspinall Avenue, Suite 2A
Hagåtña, Guam 96910

Dated: 1/31/07


TIM ROBERTS

Vivian New Employee Orientation

APPEARANCE

EMPLOYEE STATUS:

(TEMPORARY PART-TIME)
(TEMPORARY FULL-TIME)

ATTENDANCE

HOURS/WORK SCHEDULE
(SET BY SUPERVISOR)

EMPLOYEE ID/TIME CARD

UNIFORMS (IF REQUIRED)

LOCKERS

EVALUATION

VISITORS

PARKING

VEHICLE PASS

CHANGES IN PERSONNEL RECORDS

PERSONAL PHONE CALLS

PACKAGE/PROPERTY PASS

RULES OF CONDUCT

SEXUAL HARASSMENT

SMOKING

RESTRICTED AREAS

SOLICITATION

CELLULAR / PAGER (NOT ALLOWED)

EXHIBIT

4

UNIONS

RETURN OF COMPANY PROPERTY

N/A
CH

QUESTIONS: _____

PERSONNEL DEPARTMENT:

McNamee 6/2/03
(Signature and Date)

I, understand all information covered. I, also, acknowledge receipt of the Employee Orientation Packet.

W. Williams 06/02/03
(Employee Signature and Date)

EXHIBIT
5

MDI Guam Corporation

EMPLOYEE HANDBOOK

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While each company on Guam strives to have its own definite characteristics, in reality there are a lot of overlapping traits. What has emerged is a new resort concept LEOPALACE RESORTS. The principle of this concept is that we will create an environment that will enhance a feeling of well-being and enjoyment for the guests. We will accomplish this by providing first-rate accommodations, quality food and beverage, entertainment and recreational facilities, and, most importantly--

an extremely high standard of service delivered in a friendly and personalized manner.

Every employee should always be thinking of total hospitality, warm relationships, and round-the-clock service to guests. From this success will come a greater one--one of pride--of being on the rewarding team at the

MDI GUAM CORPORATION

Welcome New Employee!

On behalf of your colleagues at MDI Guam Corporation, I welcome you to our organization and wish you every success here. We believe that each employee contributes directly to the organization's growth and success, and we hope you will take pride in being a member of our team.

This handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook as soon as possible, for it will answer many questions about employment with this organization.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

Yasuke Miyama
Founder and Owner

In 1973, a fledgling organization appeared upon the Japanese development scene. It was a company with a bold new vision of what this business could be. As Miyama Co., Ltd., we set out nearly two decades ago to change the face of real estate forever. Utilizing a potent blend of youth, ideas, and energy, we generated fresh, exciting approaches and quickly carved a toehold in the market. Today, the same qualities which provided us with sustenance early on continues to nurture our company as the vision evolves. Known now as MDI, we are looking forward to our third decade of superlative growth. Both at home and abroad, our prospects have never looked better.

Globally, MDI has begun developing first class resorts and hotels in a variety of locations. MDI owns and operates a variety of real estate, hotels, and leisure facilities in famous locations including Japan, Amsterdam, Paris, Beijing, Los Angeles, and Guam.

On Guam, MDI projects provide important diversification of MDI, whose primary goal is to be in total harmony with nature. This pride is evident in its commitment towards long-term environmental standards and local cultural backgrounds. This includes the LaoPalace Resort in Yona Hills and the Hotel LaoPalace on Tumon Bay.

Company Philosophy

The company's goals and objectives reflect its commitment to the communities where its operations are centered. Increased sales and profits have contributed to building assets not only in Guam but also internationally. The three important factors in its operations: people, materials and money, which depend to a high degree on knowledge and experience in management, provide the impetus for this continued growth and community development.

Outstanding facilities, uncompromised product quality and service, dedicated and loyal employees, plus continued community development are primary company objectives that dominate this company's philosophy.

The following personnel policies have been developed with this philosophy:

1. Select employees on the basis of their ability and capacity to do the job.
2. Provide good jobs at top wages.
3. Provide dependable leadership and competent on-the-job training.
4. Pay wages commensurate with the employee's contribution and dedication to the company's objectives.
5. Give employees the opportunity for advancement.
6. Provide adequate vacation, holiday time and retirement income.
7. Provide a safe and pleasant place to work.
8. Communicate with employees on matters of mutual interest and concern.
9. Provide reasonable opportunities for employees participation on any matter related to their employment.

DISCLAIMER

Since business judgements and needs may change from time to time, the policies described herein are offered as guidelines reflecting current policies and are not intended to create a contract between you and MDI Guam Corporation. We reserve the right to change or delete any policy, practice or benefit (including benefits for which an employee is eligible but not yet entitled to be paid) at any time, with or without notice.

MANAGEMENT RIGHTS

MDI Guam Corporation reserves all the normal and customary rights of management, such as the right to supervise and control all operations, direct all work, interpret, change or cancel all personnel policies with or without notice, and to hire, schedule, fire, layoff, transfer, promote, reward, discipline or otherwise deal with our employees and select the manner, method, and means of operation. These rights are not limited or waived by any provision in this handbook, or in any other statements or documents.

MDI Guam Corporation

EMPLOYMENT-AT-WILL

We operate under the traditional employment theory that employees have no contractual obligation or right, expressed or implied, to remain in our employ. Both MDI Guam Corporation and you, the employee, can terminate the employment relationship with, or without, cause. If you have any questions about this policy, please see the General Manager. No one except the General Manager of MDI Guam Corporation may enter into any agreement or make any agreement contrary to this policy.

It should be further understood that information provided with the intent of securing employment must be complete and accurate. Failure to disclose any information or providing false or misleading information could lead to immediate termination. Information received or discovered as the result of company initiated reference checks could also be used to determine an employee's eligibility or qualifications for employment.

EQUAL EMPLOYMENT OPPORTUNITY

At MDI Guam Corporation, everyone is entitled to Equal Employment Opportunities. We do not and will not discriminate against our employees or applicants for employment.

We make every reasonable accommodation to the physical and mental limitations of handicapped applicants and employees in the areas of recruitment, hiring, job placement, assignment, promotion, training, transfers, working conditions and employment benefits.

You must help us ensure that our Equal Opportunity Policy is maintained in such a way that will demonstrate our leadership in this most important social issue.

VERIFYING IDENTITY AND WORK ELIGIBILITY

The Immigration Reform and Control Act of 1986 (IRCA) prohibits any employer from employing any person who is not legally authorized to work in the United States. Under this law, everyone starting or resuming work at MDI Guam Corporation must submit documentation that proves their true identity and employment eligibility. Anyone who submits false documentation is subject to disciplinary action and federal penalties. We comply with both local and federal non-discrimination laws and we verify the identity of all new employees on a non-discriminatory basis.

MEDICAL EXAMINATIONS

You may be asked to take a medical examination to verify your eligibility to perform your job duties safely, efficiently and without undue risk of injury to yourself or others. These examinations are done entirely at our cost under the supervision of a licensed physician. The doctor's opinion as to your ability and suitability for employment or continued employment will be kept confidential. Your consent to the physical and release of the results of the examination will be necessary except where prohibited by law. You must disclose (prior to commencing work) any limitations that will restrict your ability to perform tasks required in your new position. This includes, but is not limited, to: physical, mental, social or other legal restrictions and/or limitations.

STARTING EMPLOYMENT

The first three months of your work at MDI Guam Corporation is considered your orientation and training period and will give you and your supervisor an opportunity to learn more about each other. and to decide whether the job you were hired for is suitable to your skills, personality, and career goals. If you have any problems adjusting to your new position, see your supervisor.

New employee orientation is conducted by the Human Resources Department. During the orientation, you will learn more about your job, company policies and job benefits. You will also be asked to complete a number of employment forms.

IMAGE AND PERSONAL APPEARANCE

The image of our company and its employees is very important. We must all look neat and observe the highest standards in grooming, dress and hygiene.

If you wear a uniform on duty, you must show up at the start of work wearing a clean, neat uniform with your name tag in place, and polished shoes. Uniforms are company property and may not be altered except with our authorization. If you work in an office and are not uniformed, you are expected to dress neat, and commensurate with the area you are assigned to work.

IN HOUSE TRAINING PROGRAMS

In house training programs are designed to give you the necessary skills to do your job. You will be scheduled to attend workshops, seminars, and other similar training sessions. Attendance at these sessions is mandatory and you will be compensated for the time you attend. Each employee is expected to make every reasonable effort to learn and benefit from training sessions. Since career progression is often the result of improvements in your capability to accept additional responsibility and authority, we encourage you to make the most of each training opportunity.

Supervisory and management personnel will be provided with on going training to update and maintain their ability to supervise and manage assigned resources. They are expected to attend and benefit from each opportunity.

YOUR EMPLOYMENT STATUS**REGULAR FULL-TIME EMPLOYEES**

If you are regularly scheduled for 30 or more hours of work per week, and if you have worked 1000 or more hours in the past six (6) months, you are considered to be a regular full-time employee.

REGULAR PART-TIME EMPLOYEES

If you work less than 30 hours but more than 20 hours per week, you are a regular part-time employee and you are eligible for limited employment benefits.

CASUAL OR TEMPORARY EMPLOYEES

If you work less than 20 hours per week, you are considered a casual employee and only eligible for "statutory" benefits --- such as FICA, Worker's Compensation Insurance, and any other employment benefits required by law.

If you are hired for a temporary period, whether full-time or part-time, regardless of the hours you work each week, you are a temporary employee. Temporary employees are only eligible to receive statutory benefits.

CONTRACT EMPLOYEES

Contract employees compensation, benefits and other conditions of work are specified in individual employment agreements. Unless indicated otherwise, in employment agreements, provisions of this employee handbook (in whole or in part) are applicable.

SENIORITY

Your "hire date" or "anniversary date" is your first day of work for us and it determines your seniority. It may be considered when we make decisions about promotions, transfers, special training and the dates you are eligible to participate in our superior employee benefit plan.

COMPENSATION

We pay you according to your skill, seniority, performance and experience. We monitor pay rates on Guam and we strive to provide competitive pay rates and benefits. Whether your pay is determined by an hourly rate or straight salary, it is based mainly on your personal performance in your specific job. All questions about your pay should be directed to your immediate supervisor.

ATTENDANCE

Your supervisor will assign your working hours. You are expected to be on the job, appropriately attired and ready for work, at the beginning of your scheduled shift. If you cannot come to work as scheduled, advise your supervisor at the earliest time possible in advance of the time you are scheduled to report to work. If you are unable to contact your supervisor, notify the Human Resources Department. Please do not leave messages or communicate with your fellow employees.

STANDARD WORK WEEK AND OVERTIME

Our standard work week begins at 12:00 a.m. each Sunday and ends at 11:59 p.m. each Saturday. This standard work week sets the seven consecutive day period during which overtime pay is calculated. Overtime pay is paid to non-exempt employees for time worked in excess of forty (40) hours weekly. Overtime hours worked without specific approval of your supervisor will not be paid.

TIME CARDS

Federal and Guam laws require non-exempt employees to record daily hours worked. You must record only YOUR OWN TIME and may not record time for another employee. Alterations, changes and other tampering with time cards is strictly prohibited. Please see your supervisor, or the Human Resources Office, if something needs to be corrected on your time record. Any discrepancies on the time cards that require adjustment of your pay must be brought to the attention of your supervisor and the Human Resources Department immediately.

ALLOWANCE TIME

All employees are allowed five (05) minutes to wash up after they have completed work shifts. This allowance time is intended to prepare to leave the property and not be spent at the time clock.

PAYCHECK DEDUCTIONS

The law requires us to make certain deductions from your gross earnings. These deductions include:

- Income Taxes
- Social Security
- Court-ordered Garnishments

As a convenience to you, we will make deductions for group health and dental insurance. All deductions from your paycheck except for court-ordered garnishments, must be authorized in writing by you.

DIRECT DEPOSIT PROGRAM

We have a program for convenient, automatic payroll deductions for direct deposit to savings and check accounts. The Human Resources Department has the appropriate forms for you to fill out and they can explain which bank institutions participate with us in this program.

EMPLOYEE BENEFITS

The objective of our benefit plan is that each employee receives additional compensation and recognition for their service and total performance. We are proud to offer the wide range of benefits that will "pay" dividends to you and the company. You will become eligible for the full range of benefits at different stages of your career with MDI Guam Corporation:

At time of hire:

- * Employees Training Program ✓
- * Employee Uniforms/Lockers
- * Worker's Compensation
- * Night Shift Premium Pay ✓
- * Language Premium Pay
- * Employees Parking

At 90 days:

- * Performance/Salary Reviews
- * Paid Holidays
- * Sick Leave
- * Personal Leave
- * Medical/Dental Insurance
- * Birthday Holiday
- * Promotions/Transfers
- * Tuition Assistance Program ✓
- * At 1 year employment: (minimum 2000 hours)
 - * Vacation
 - * Profit Sharing ✓

EMPLOYEE UNIFORMS/LOCKERS

As stated previously, the uniforms are company property that you are expected to protect and maintain. If your uniforms need repair or replacement, see your immediate supervisor. Employee lockers may be provided for you to change at work. **REMEMBER:** You must report to work in complete uniform, including name tag, at your appointed time. Acceptance of a locker assignment also gives your consent for security personnel, accompanied by a management representative, to open and inspect your locker at regular intervals with or without notice. Lockers should be kept in neat order and free of trash, debris, contraband, alcohol and narcotics (except prescription drugs). Company equipment, tools and other supplies should not be stored in individual employee lockers. Weapons of any type are strictly prohibited. Lockers are provided for your convenience. Please do not store valuables or leave your locker unsecured.

EMPLOYEE WORKERS' COMPENSATION INSURANCE

Security and safe working practices are the responsibility of every employee. To safeguard our employees and our property against fire, theft or accidents, your cooperation is needed. You should promptly report any fire, theft, disturbance, unsafe condition or similar problem to your supervisor.

If you are given safety equipment to use, you are responsible for proper care of that equipment. You will be required to pay for all losses, damages to equipment through your own negligence. Safety devices and equipment must be used at all times.

You must report any work-connected accident (whether it involves personal injury or not) immediately. If you are injured on the job, a written report must be filed as soon as possible. Benefits are available to you under our Worker's Compensation Insurance. This insurance is of no cost to you.

Our Worker's Compensation Insurance provides for payment of valid claims for medical services, loss of compensation, and temporary and permanent, partial or total disability to employees who are injured on the job. Death benefits are also provided for your beneficiaries if you die as a result of job-connected injuries. The Worker's Compensation Commission will determine if a death is work related. Other payment provisions provide for subsequent injuries, disfigurement, artificial members and aids, medical and vocational rehabilitation, lump-sum payments, and the services of an attendant. The benefits also include the cost of medical, surgical, and hospitalization services as needed. However, the

WORKER'S COMPENSATION INSURANCE (CONT.)

amounts payable are limited by local law. You may choose a doctor for treatment and we have the right to have our doctor examine you when a claim is under this insurance program.

RETIREMENT/SOCIAL SECURITY BENEFITS

Social security taxes are automatically deducted from your gross wages as prescribed by federal law. We match your contribution, that ultimately will provide a retirement benefit for you. Contributions to Social Security also entitle you to numerous other benefits outlined in the enactment of this program. You should check with the local Social Security office if you desire additional information.

NIGHT SHIFT PREMIUM PAY

MDI Guam Corporation provides a "premium pay" for all hourly paid employees when they work between the hours of midnight and six (6) in the morning. Since this rate changes to adjust for a competitive environment, please check with your supervisor or the Human Resources Department to determine the most current rate. Night shift premium pay is not used when calculating the rate of overtime pay.

LANGUAGE PREMIUM PAY

We recognize that foreign language skills are important in our everyday operations. The ability to communicate with our guests in their "native" language increases the chances of achieving our goal: Guest Satisfaction! Premium pay for basic, conversational and proficient language skills are paid. See your immediate supervisor or the Human Resources Department for the current rates.

EMPLOYEE PARKING

Several areas have been designated "Authorized Employee Parking". These are designated for your convenience and guest satisfaction. You should park ONLY in these areas. Please check with your supervisor and make sure you know the authorized parking areas. If you park in guest parking areas or other reserved parking spaces, your vehicle may be towed away. Please secure your vehicle at all times. Employee parking is provided free of charge and MDI Guam Corporation is not responsible for damages or losses to any vehicle while parked in employee parking areas. Vandalism or other such occurrences should be reported to your insurance company.

PROMOTIONS/TRANSFERS

Promotions and transfers will always be considered for the best qualified applicants. If you feel that you are qualified for any vacant position, notify your immediate supervisor and apply at the Human Resources Office. Priority will be given to current employees when filling vacant positions if they are qualified or demonstrate potential to grow. Seniority will be considered only if all applicants are considered equally qualified. The General Manager or his designated representative will be the sole judge in final selections. Written approval must be obtained prior to transferring from one department to another or promotions.

PERFORMANCE/SALARY REVIEWS

Your job performance will be continuously reviewed. Attendance, punctuality, dress and appearance as well as your work attitude are part of your overall job performance. Your overall performance evaluations will include, but not be limited to, measurements of the quantity/quality of work, your promotion potential, and equally important: team spirit. Once your performance has been reviewed, your salary will be adjusted, if appropriate. Minimum evaluation periods are 90 days from date of hire and annually on the anniversary date of your date of hire. Adjustments to your salary due to promotions and transfers will be considered when making annual salary adjustments. Awards, special achievements or significant community service and contributions may also be considered. Job related education and training that enhance your job skills will be taken into account when your performance and salary is reviewed.

EMPLOYMENT ENRICHMENT AND TRAINING PROGRAMS

From time to time, we will select deserving regular, full-time employees to attend professional seminars and other training courses. To be selected for this training, you must demonstrate a strong commitment to a career in the visitor industry AND to MDI Guam Corporation. Your performance, attendance, and attitude will be considered along with the recommendation of your immediate supervisor. If you travel on a training assignment, you will be paid for your regular work hours and travel expenses. All approved travel and related business expenses incurred for business purposes will be reimbursed. Check with your immediate supervisor before you depart for scheduled training.

EDUCATIONAL ASSISTANCE PROGRAM

Refining your professional skills is important to you and to us. We offer an off-hour educational and training assistance program for full-time regular employees who wish to pursue their education/training.

Courses selected must be directly related to your job or progression with MDI Guam Corporation. This must be established before approval. Requests for tuition reimbursement must be made in writing to your supervisor who will then pass the request to the Human Resources Department for coordination. The General Manager will be the final approval, on all requests. Approved reimbursement of tuition will be made upon successful completion of the courses with a passing grade of "C" or better. The maximum reimbursement is fifty percent (50%) of tuition costs only. Registration fees, books, activity fees, and other similar expenses are not reimbursable as a result of this policy. Reimbursement will not be made for education/training that was not approved prior to commencement of such an endeavor. Employees who voluntarily resign or are terminated for negligence, gross misconduct or serious infractions of company policies may be asked to reimburse the company for any education/training assistance provided within the immediate preceding 12 months (1 year). Acceptance of such assistance constitutes your authorization to deduct such amounts from your final payment of wages if it is deemed appropriate.

HOLIDAYS

All hourly regular, full-time employees will get holiday pay for these nine holidays:

- New Year's Day
- Good Friday
- Memorial Day
- U.S. Independence (July 4)
- Guam Liberation Day (July 21)
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Christmas Day

You must work the scheduled day BEFORE and AFTER a holiday. Part-time employees receive holiday pay based on a four-hour (04) work day. Salaried supervisory and management employees are not eligible for this benefit. Holiday pay will not be used when calculating overtime pay rates.

YOUR BIRTHDAY

All regular, full-time employees who have completed 90 days of employment will receive a day off with pay at the base rate for normal scheduled hours on their birthday. If your birthday falls on a weekend or a holiday, or if your supervisor feels it is not appropriate to take your actual birthday off, another day off should be scheduled within two (02) weeks of your birthday. Part-time employees who have completed 90 days of service are eligible for this benefit based on a four-hour (04) work day.

SICK LEAVE

As a regular employee, the company provides you protection against complete loss of income due to bona fide illness. All regular full time and part time employees earn five (05) days of paid sick leave after completing ninety (90) days of employment. During the first year, employees may take two (02) days of sick leave between 90-180 days of employment and three (03) days from 180 days and one (01) year. Thereafter, employees may take up to five (05) consecutive days of sick leave each year of employment.

Pay for sick leave is based on scheduled hours for the days sick leave was taken. All applications for sick leave must be accompanied by a recognized medical doctor's certification that the employee was unable to perform work as scheduled. Absences without a doctor's certificate can not be processed for sick leave pay. All unused sick leave will be forfeited each year on an anniversary of date of hire. Sick leave is not an accrued benefit and cannot be carried from one year to the next. Casual and temporary employees are not eligible.

Our Personal Leave Policy is designed to give all our employees the opportunity to receive paid time off on days that, individually, they consider important. You may take off up to five (05) days with pay each year of employment. During the first year of employment, personal leave is earned based on the following schedule:

None
Two (02) Days
Three (03) Days
Five (05) Days/Year

Personal Leave is intended to be used for funerals, personal business matters or other significant personal matters that each individual employee feels take precedence over work. It is not intended to allow for idle time away from work or to allow employees to work or solicit work at any other business or establishment. Personal Leave must be approved by your supervisor after taking into account operational requirements and prior to the commencement of any absence. Requests for Personal Leave that are not in accordance with this policy will not be processed for payment. Payment for Personal Leave will be based on regular scheduled work hours. You must work the scheduled day before and scheduled day after your Personal Leave in order to qualify for payment. Personal Leave may be taken in conjunction with annual vacation providing that the entire period of absence does not exceed thirty (30) days and is approved by the Human Resources Department prior to starting the absence. Personal Leave is not accrued from one year to the next. Any unused Personal Leave is forfeited each year on the anniversary of your date of hire.

GROUP INSURANCE

All regular, full-time employees are eligible for our non-contributory group insurance coverage after completing three (03) months of service. In addition, eligible dependents of employees may also be included at a very small cost.

Group health insurance coverage includes hospitalization, surgical, medical, dental, prescription reimbursement and major medical. The plan provides valuable protection for you and your family. The Human Resources Department will assist you in signing up for this benefit as soon as you are eligible.

Group life insurance is provided for all regular full time employees. To be eligible for this benefit, you must complete 90 days of employment. The company does not pay for this benefit, but does negotiate the premium to insure the minimum cost to employees.

If you have any questions concerning life insurance, check with the Human Resources office.

You are responsible for arranging to keep your life insurance, medical and dental plan from lapsing. You will be required to pay for the full amount of your benefits to cover the leave period BEFORE your leave begins.

COBRA

If you participate in our group health insurance plan, you may continue to get this protection for yourself and your family even if you resign, retire, are laid off from your job or terminated (for reasons other than gross misconduct on your part).

You, or members of your family, must notify your supervisor of a divorce, legal separation, or when a child loses dependant status. We must notify our health insurance company of your death, termination of employment, or reduction in hours, or Medicare eligibility.

When our insurance company is notified that one of these events has happened, you must make a decision about the continuation coverage. If you do not choose continuation coverage, your group health insurance coverage will end.

If you decide you want continued coverage, you will be eligible for the same coverage that is provided under the plan to our other employees or their family members. You will be allowed to participate in the program for 18 months.

Your continuation health insurance benefit may be lost for these reasons:

1. You fail to pay the premium for your continuation of coverage, OR;
2. You become covered under another group health plan, OR;
3. You are divorced and your spouse marries someone covered under another health plan, OR;

COBRA (CONT.)

4. You become eligible for Medicare, OR;
5. We decide to stop providing group health coverage to our employees.

You do not have to show that you are "insurable" to get continuation of coverage, but you WILL HAVE TO PAY ALL OF THE MONTHLY PREMIUMS for the continuation coverage plus 2% administrative costs. At the end of the 18 months coverage period, you may be able to enroll in a personal health plan if one is available from the insurance company.

There are formal documents you must sign to make sure you understand your obligations -- and you must keep us advised of any changes in your home status (number of children, names, ages and number of dependents, changes in marital status).

VACATION

You will be eligible for a vacation with pay after you have completed one (01) year of continuous service with the company. Paid vacation will be paid in accordance with the following schedule:

<u>Continuous Service</u>	<u>Vacation Pay</u>
01 Year (2000 hours)	80 hours
05 Years	9.99 years
10 Years	120 hours and above

Vacation pay is based on the basic hourly rate for your primary job classification. Overtime, language allowance, or other such incentives are not factors in calculating vacation pay. Employees who work less than 2000 hours but more than 1000 hours will receive vacation pay based on one half (1/2) the full time entitlement. Employees who work less than 1000 hours are not entitled to vacation benefits. Vacation pay is accrued only on completion of each year of employment and is not prorated for incomplete years. Employees terminated for theft, gross misconduct, negligences or other serious infractions of company policies forfeit all vacation benefits.

TEMPORARY DISABILITY LEAVE

If you are temporarily disabled due to pregnancy, childbirth, heart attack, stroke or other serious health conditions, you may be allowed to take unpaid leave of absence during the period you are temporarily disabled. Before you take this leave, you must submit a physician's certificate estimating length of time you will be

TEMPORARY DISABILITY LEAVE (CONT.)

away from work. This can not normally be extended beyond a period of twelve months. When you return to work, if we cannot assign you to your regular duties, you will normally be given a position of comparable status and pay, without loss of seniority and benefits.

MILITARY DUTY

If you are in the National Guard or a Reserve component and are called to temporary active duty, you will be paid the difference between your military pay and regular pay for a maximum of two (02) weeks per year. You must provide your supervisor and the Human Resources Department with copies of your military orders. Your benefits and job status will continue if you report back to work on the next regularly scheduled work period after your release from active duty. All request for absence due to military duty must be coordinated as soon as you are notified of your duty requirements.

LEAVE OF ABSENCE

Leave of Absence without pay is available to regular, full-time employees for compelling, urgent or unusual circumstances. Leaves of absence of thirty (30) days or less will not affect your anniversary date. Leaves of absence will not normally be approved for more than thirty (30) consecutive days. No more than forty-five (45) will be approved during any calendar year.

You must give reason for leave, beginning and ending date, and data you can return to work. The Human Resources Department will make

LEAVE OF ABSENCE (CONT.)

the decision whether or not to approve your request for leave of absence. If you accept employment with another organization during this period, you lose your job status at MDI Guam Corporation.

If you do not return to work on the agreed date, you will be considered to have voluntarily terminated your employment. Benefits will continue for the month in which leave begins.

Upon returning from leave of absence, it is not guaranteed that the position you had prior to leave of absence will still be available.

JURY DUTY

We will reimburse regular, full-time employees the difference between income from jury duty or duty as a summoned witness and regular pay for those hours involved, (if a difference exists) for jury duty. You will be required to give your supervisor the documents from the Clerk of the Court covering fees, mileage, allowance paid in order to receive jury duty pay. If you are released from jury during your normal working hours, you must telephone your supervisor in case you may be required to work.

VOTING TIME

We encourage you to register and vote in every election. On election day, you will be given up to two (02) hours off without pay for voting time, if you show that you are unable to vote before or after working hours. See your supervisor at least one (01) week in advance if you require this voting time.

CHANGES IN PERSONAL INFORMATION

For benefits administration and emergency purposes, it is vital that we maintain accurate, current personal records. It is your responsibility to notify your supervisor of any change in your residence address, phone number, marital status, number and names of dependents, or other necessary personal information.

PROFIT SHARING PLAN

MDI Guam Corporation has developed a plan which contributes money to a trust for the benefit of its employees. This plan provides you with an opportunity to benefit, or share, by means of deferred compensation, in the success of MDI Guam Corporation. The benefits of the trust will normally be paid out during your retirement years and supplement any social security benefits you may receive. All employees are eligible after completing one (01) year of service and are vested in accordance with the schedule outlined in the plan. Please see the Human Resources Department if you have any questions about the plan.

BULLETIN BOARDS

Special notices and other information employees will want to know about are posted on the bulletin boards. From time to time, important notices are made concerning new policies and procedures. The bulletin board is for the SOLE AND EXCLUSIVE USE FOR BUSINESS MATTERS CONCERNING MDI GUAM CORPORATION. You should not post anything on the bulletin board without approval of the Human Resources Department. Any solicitation notices for "For Sale" notices are strictly prohibited.

PERSONAL MAIL AND USE OF THE TELEPHONES

Our mail and telephone systems are designed to accommodate our business transactions and communications. Please have your personal mail and personal phone calls directed to your residence.

RULES OF CONDUCT:

We have regulations for acceptable conduct to ensure orderly business operations for the benefit and protection of the rights and safety of everyone. Certain rules are made to promote uniform understanding of what is considered both acceptable and unacceptable conduct.

Acceptable conduct is basically good conduct, good character and good judgement coupled with good sense. Although you are free to resign at any time, with or without cause, here are some examples of conduct which will lead to IMMEDIATE disciplinary action, up to and including termination.

This list of rules is not exhaustive, it is just a guide:

1. Insubordination- Refusal to obey instructions, disregard of any order or directive to perform work as assigned or required, or willful slowdown or neglect of duty. If your supervisor asks you to do something, and you disagree, obey the instruction at the time, (unless it endangers equipment or poses the potential for injury to employees or guests) and discuss it later when both you and your supervisor are out of hearing of customers and other employees.
2. Interference with others in the performance in their job, horseplay or disorderly conduct.
3. Pillage, theft, or misappropriation of company property or the property of others; any attempt to pilfer, steal or misappropriate any such property; any unauthorized use of MDI Guam Corporation equipment and supplies.
4. Unauthorized or unreported absence from work; leaving work or leaving the premises during working hours without prior notice and permission; Unreported or unexcused absence for three consecutive work days shall be considered a quit without notice.
5. Excessive absenteeism (even when caused by excused and justifiable illness or injury); tardiness in reporting to work, or in returning to duty following meal periods.
6. Carelessness, negligence or mischief that results in loss, damage, waste or destruction of any property, or which creates unsafe or unsanitary conditions; failure to follow safety rules; or engaging in any unsafe conduct.
7. Threatening, fighting, or engaging in any act of physical aggression (as well as any attempt or threat to engage in a fight or to provoke a fight), either by words or by actions.
8. Sleeping on duty or during work hours; inattention to duty.
9. Dishonesty in any form, including falsification of any records or reports; clocking in or out for another employee; giving a false reason for sick leave, leave of absence, or time off from work; supplying false or misleading information during employment, or as part of the application process.
10. Revealing confidential information regarding customers, employees, or the business of MDI Guam Corporation, and discussing confidential matters with unauthorized personnel. This includes the use or dissemination of confidential information except where authorized.

RULES OF CONDUCT (CONT.)

11. Failure to report loss, damage, breakage, or breakdown of business property; failing to report any job-related injury, illness or accident; falsifying information or refusing to give testimony or to cooperate in the investigation of accidents, employee misconduct, or grievances which are being conducted by or on behalf of MDI Guam Corporation.
12. Drunkenness; drinking on the job, or reporting for duty in any way affected by the consumption of alcohol, or working with the smell of alcoholic beverages on your breath.
13. Possession, distribution, sale, use or transporting on the job or onto the premises --- any controlled substance, drug, or other mind altering substance, narcotic, or drug paraphernalia; reporting for work in any way affected by the use of any drug, except those lawfully prescribed by a physician.
14. Possession of, or transporting, onto our premises, any kind of weapon.
15. Disrespect in any form or disrespect to guests or employees; use of vulgarity or failing to render the appropriate degree of service or courtesy to any customer.
16. Gambling or promoting gambling during working hours on our property at any time.
17. Loitering or unauthorized presence anywhere on our premises.
18. Smoking in prohibited areas.

RULES OF CONDUCT (CONT.)

19. Violating (or failing to enforce) our policy on solicitation and distribution. Reminder: Employees shall not distribute literature of any kind or solicit working time or not. Employees shall not distribute literature of any kind in working areas or in areas which guests frequent.
20. Non-employees are prohibited from soliciting employees or distributing literature on our premises. These rules apply to all locations and to distributions or solicitations for all purposes including miscellaneous raffle schemes, lottery tickets, magazine clubs, civic organizations, societies, lodges and the like.
21. Use of abusive, profane or obscene language directed at a customer, supervisor, or other members of management; similar conduct directed at fellow employees which causes or is intended to cause disruption of work or the peaceful atmosphere of MDI Guam Corporation.
22. Unauthorized possession, custody, or use of any property that belongs to a guest, another employee, or MDI Guam Corporation, including any item (lost or otherwise) found on or present on our premises. All articles found on our premises **MUST BE TURNED IN IMMEDIATELY** to the Security Department.
23. Tampering with fire or safety equipment.
24. Abusing, defacing or destroying our equipment or property or property of customers or employees.
25. Altering any documentation including work or time records.

RULES OF CONDUCT (CONT.)

26. Failure to maintain accurate and proper accountability and controls of cash banks, excessive or continuous cash shortages/overages, or other irregularities are considered irresponsible, unacceptable, or negligent.
27. Interfering with, or hindering of, work schedules.
28. Failing to work on a shift as scheduled; arranging to have someone work in your place without the permission of your supervisor.
29. Failure to maintain proper standards of personal hygiene and grooming. Neat, clean and safe clothing, including shoes, must be worn.

GRIEVANCE PROCEDURE

We want you to be happy to be working with us. Effective communication is an essential element of job satisfaction. You share in the responsibility of communicating your grievances, problems, ideas, questions or concerns about your job with your supervisor, or other management people.

Your suggestions or problems should first be discussed with your supervisor. If your problems cannot be resolved at this level, you may:

1. See your Department Manager for review of the issue. After taking this step, if other assistance is needed, you may:
 - a. Ask to see the Human Resources Office;
 - b. Ask the Human Resources Office to arrange for you to meet with the General Manager. Once the General Manager has been given all the facts by all parties, his decision will be final.

SMOKING

It is the policy of MDI Guam Corporation not to permit smoking by its employees except in those areas specifically identified for such. Specifically, smoking is not permitted in public areas, offices, and work areas where non-smokers are subject to the effects of other's smoke. Where smoking is allowed, employees are required to use ash trays or similar receptacles to guard against fires and maintain good housekeeping.

SAFETY

1. Safety is the Number One responsibility of all employees.
2. Safety will take precedence over expediency and shortcuts.
3. Every attempt will be made to reduce the possibility of accident occurrence.
4. The Hotel intends to comply with the Occupational Safety and Health Act and, in addition, to all applicable federal and local safety laws and regulations.

Safety is a mutual interest. Accidents, whenever and wherever they occur, affect your income and well-being, and reflect adversely on our production as well. To maintain the maximum degree of safety for all, it is necessary that each employee be responsible for his own personal safety and that of his associates.

To accomplish this, safety awareness must always be uppermost in your mind. The following are safety rules which you will be expected to adhere to as part of your duty to fulfill the requirements of this most urgent and necessary area of employment. Failure to adhere to any safety rules, or unsafe practices, will be subject to disciplinary action, including discharge.

1. **Safety Guarding**

Safety guarding is provided for your protection. Remove no guard unless authorized to do so by your supervisor. If a guard is missing or out of adjustment, or if you think the machine is unsafe, report it to your supervisor immediately. Inspect adjustments and check for proper functioning.

SAFETY (CONT.)

2. **Safe Clothing**
Loose clothing, long coats, long sleeves, flowing ties, and rings are hazardous when working around moving machinery and should not be worn.
3. **Safe Shoes**
Open shoes are a safety hazard and, therefore, will not be permitted. Closed shoes will be the only types acceptable. Sandals or zorries are not acceptable footwear.
There are some areas of the hotel in which safety tipped shoes are required. In these areas, safety shoes will become the only shoe acceptable. Please ask your supervisor if you are not sure.
4. **Eye Protection**
Industrial safety glasses are required in those areas of the hotel clearly marked for such. You must have safety glasses on at all times while in these areas.
5. **Report Injuries**
Neglected minor injuries may easily become more serious. In the event of an injury, regardless of how slight, report to your supervisor to get proper treatment and to allow proper recording of the injury.
6. **Get Instructions**
Before you operate any machinery or equipment, be sure you know the safe way to do the job. If you are not sure, ask your supervisor. Never attempt to run any machinery or equipment without proper instructions.

SAFETY (CONT.)

7. **Cleaning, Repairing or Adjustment Machinery**
Shut your equipment down when leaving it. Before you clean, adjust, or attempt to repair your equipment, shut off the power at the stop button as well as at the source of power supply. This will prevent injury should the starter button be accidentally touched.
8. **Electrical Repairs**
Only duly authorized persons are permitted to make electrical repairs. Report any need of electrical work to your supervisor immediately. Take no chances with electricity --- never attempt electrical repairs yourself.
9. **Lifting**
Learn the safe way to lift and avoid strains. Bend your knees, keep your back straight, and lift with your legs. Call for assistance when load is too heavy.
10. **Compressed Air**
Using compressed air for blowing off clothing, hair, face, or hands is extremely dangerous and strictly forbidden. When compressed air is used as part of the operation, constant care must be exercised to avoid injury. Keep air nozzle away from your body or that of a fellow employee. Never point the nozzle at anyone. The pressure is sufficient to cause death should it enter the body.
11. **Aisles**
Aisles are the transportation avenues of the resort and the means of exit from the hotel. They are all marked and must be kept clear. A blocked aisle in case of an emergency might be very serious.

SAFETY (CONT.)

12. **Attention**
Distracting the attention of another employee might cause him or her to be injured. Likewise, do not attempt to carry on a conversation with others or watch someone else when operating machinery.
13. **Horseplay**
Horseplay, scuffling, or throwing objects of any description is unnecessary and dangerous.
14. **Lighting**
The management desires to provide adequate lighting. If you feel the light at your place is inadequate, report it to your supervisor.
15. **Intoxicants**
Work should not normally be performed when under the influence of prescription or non-prescription medication or other intoxicants. Always check with your medical advisor as to whether any medication can cause drowsiness, fainting, dizziness, inattention, or the like. Make sure that your supervisor knows when you are taking medication that may effect your performance in any manner, regardless of how minor.

SECURITY

To protect you, your fellow employees, and our guests from personal

- * injury or the loss or damage or property or false accusations of dishonest or unlawful conduct, we reserve the right to examine any person or object while on our property. As a condition of permit, on request, and we reserve the right to search:
 - * Any vehicle exiting the property;
 - * Any pocket, package, purse, briefcase, toolbox, lunch box or other containers brought onto our premises;
 - * Any desk, file, locker, or other stationary container, whether locked or unlocked.

When we reasonably believe that an employee on our premises may be under the influence of drugs or alcohol (whether or not lawful), we reserve the right to relieve the employee from duty and to require the employee to satisfactorily complete an appropriate urine or blood test as determined by our physician.

All searches of an employee's person shall be conducted in private by a person of the same sex, and all urine and blood tests shall be performed at our expense. The results of any search test shall be kept confidential, and disclosed only to the persons performing the test or search and those MDI Guam Corporation representatives responsible for the employee's supervision, security and employee safety and discipline, unless otherwise required by law.

We reserve the right to seize, and either retain or destroy as appropriate, any property found on our premises which we determine to be stolen, illegal or hazardous to the health or safety of our employees, customers and others.

ETHICS

Our policies are designed to insure the highest standards of lawfulness, responsibility and accountability. We expect you to comply with all laws and the highest standards of business ethics and conduct in every jurisdiction where we conduct business. You must avoid situations that may create the appearance of conflict, and protect confidential and proprietary information held or entrusted to you. You must also avoid conduct on or off the job that may injure or harm our reputation in the community . . . this includes, but is not limited to, criminal conduct.

Supervisory personnel and management must ensure that their activities on or off work do not give the appearance of impropriety, conflict of interest, or conduct deemed unbecoming of supervisory/management personnel.

Supervisory and management personnel should constantly be aware of their surroundings. Disagreements, grievances, and other similar actions should be confined to privacy and handled in a manner commensurate with professional conduct. It is inappropriate for supervisory and management personnel to initiate, incite, or otherwise promote employee grievances in such a manner as to disrupt normal company operations. Supervisory and management personnel must in all cases and at all times conduct themselves in a manner that can only be interpreted as loyal to MDI Guam Corporation.

CONFFLICT OF INTEREST

We define "conflict of interest" as a business activity or relationship with another company or person, that in our judgement, may result in questionable business ethics or a compromise in your loyalty to MDI Guam Corporation.

You, nor members of your immediate family, may serve as directors or officers of, or have a substantial investment in a business or personal relationship with, a competitor, customer, supplier, or be employed by any organization which could create a divided loyalty.

You, nor members of your immediate family, may solicit or accept from an outside concern that does business with, seeks to do business with, or competes with us, any compensation, gift or discount.

You may not perform services which may cause embarrassment to or jeopardize the interest of MDI Guam Corporation, interfere with its work schedules, or adversely affect our productivity or that of your co-workers.

These rules are not exhaustive. Check with your supervisor for clarity or approval before you become involved in a situation that you feel could be a conflict of interest.

ACCEPTANCE OF GIFTS

Here is our policy regarding the giving or receipt of gifts and gratuities:

- You and members of your immediate family may not give or accept any cash, gifts, special accommodations, favors or use of property or facilities to or from anyone with whom we do business.
- Giving or accepting of anything of value to or by any of our suppliers, dealers, or customers is prohibited. This may violate certain criminal laws if it is done to influence you in the performance of your responsibilities.

This policy applies to any employee who has or could be perceived as having potential for influencing business.

For example, it applies to the giving or acceptance of gift of alcoholic beverages (and/or drugs or controlled substances), gift certificates, jewelry or money.

The policy does not preclude gifts of items of nominal value. These business gifts to you (or to members of your family) are limited to a total cost of \$50.00 per year. Gifts bearing a logo or trademark, and which are distributed generally and cost no more than \$15.00, are not included in the \$50.00 annual limitation.

This policy is not intended to eliminate participation in business-related functions and activities which occur in conjunction with seminars, exhibits, meetings, and presentations which include lunches, dinners and entertainment. Under the proper

ACCEPTANCE OF GIFTS (CONT.)

circumstances, these can be in MDI Guam Corporation's best interest, but these contacts are only permitted on an infrequent basis. Under no circumstances should you solicit invitations to these functions.

Functions that involve overnight stays or consecutive days (as examples: hunting, fishing and golfing) can create obligations that are contrary to this policy. You must have written approval before attending any such function.

If you are in doubt as to the possible propriety of any gift or activity, it should be rejected as contrary to this policy. In making this judgement, the ultimate criteria must go beyond the questions whether the consideration of the unfavorable appearance or impression might be placed on the action by a critical third party who has the advantage of hindsight.

NOTE:

The existence of genuine friendship, even prior to employment, does not relieve you of the duty to conform with this policy at all times.

Any gift you receive that is a violation of this policy must be returned to the donor with an explanation of MDI Guam Corporation's policy, or donated to a charitable organization. Management is to be advised of such action in writing.

ACCEPTANCE OF GIFTS (CONT.)

This is a major operating policy of MDI Guam Corporation. It should be clearly understood that violation of this policy may result in disciplinary action, including termination of employment. Similarly, a violation of this policy by a supplier or customer may result in termination of their relationship with us.

SEXUAL HARASSMENT

We prohibit sexual harassment of any employee by any supervisor, co-employee, or customer. Sexual harassment is unlawful, bad for morale and counterproductive. It is also inconsistent with MDI Guam Corporation Policies, practices and business philosophy. Sexual harassment can take many forms, including but not limited to:

1. Unwelcome sexual conduct, whether it be verbal or physical, that interferes with another person's work performance or creates an intimidating, hostile environment (even for third parties not directly affected).
2. Personnel decisions (examples: promotion, raise, scheduling) made by a supervisor is based on the employee's submission to or rejection of sexual advances.
3. Submission to a sexual advance used as a condition of employment, whether expressed in explicit or implicit terms.

If you think you have been subjected to sexual harassment, or ANY form of discrimination, you should report it to your supervisor or to the Human Resources Department immediately. The Human Resources Office will conduct a full investigation into all of the surrounding circumstances. Employees accused of sexual harassment, may be suspended during this investigation process. If the accusations can not be substantiated or are unfounded, full wages and allowance will be paid for the period of suspension. If the accusations are determined to be true, no pay or allowance will be afforded for the period. This is a sensitive area of concern, and care will be taken to protect the

SEXUAL HARASSMENT (CONT.)

privacy and reputation of all concerned. To the best extent possible, we will attempt to keep confidential the identity of the employee reporting the incident involving discrimination or harassment. If the report appears to have merit, appropriate disciplinary action will be taken against the offender. Depending on the severity of the misconduct, and all the circumstances, the disciplinary action could vary from a warning to an immediate termination. The final decision rests with the General Manager or his/her designated representative.

CONFIDENTIALITY

If you knowingly and willfully disclose confidential information about MDI Guam Corporation, or confidential information entrusted to us, you will be subject to disciplinary action. The information not to be released to people outside MDI Guam Corporation includes, but is not limited to:

- * Sales and registration figures;
- * Information about guests or customers;
- * Marketing goals or margins;
- * Customer spending;
- * Profit margins;
- * Merchandise or service mark-up;
- * Employee Handbook/Employee Benefits;
- * All reports such as sales reports and operating reports;
- * Names and addresses of employees or customers;
- * Compensation rates;
- * Advertising and Promotion Schedules & budgets

OUTSIDE EMPLOYMENT AND ACTIVITIES

We do not want to interfere with your outside activities, but we are entitled to have you put forth your best efforts in your job at MDI Guam Corporation.

Outside employment already held at the time you were hired at MDI Guam Corporation must also be fully disclosed. Thereafter, before accepting outside employment, you must fully disclose your plans and obtain written permission from the Human Resources Department.

You may not continue to work at MDI Guam Corporation if you hold outside employment with any organization that is in direct competition with MDI Guam Corporation, unless you have written permission from the General Manager.

Outside activities that reflect unfavorably upon MDI Guam Corporation can lead to termination. Please refer to our Conflict of Interest Policy for further information. Political activities, community service, or other similar endeavors should be conducted after normal work hours and can not interfere with completion of your assigned work tasks. Any potential conflicts with this policy should immediately be brought to the attention of the General Manager for resolution. It must be clearly understood that the General Manager's decision in all such matter is final.

EMPLOYMENT OF RELATIVES

MDI Guam Corporation does not usually hire relatives of current employees because that sometimes creates problems. Relatives include spouse, children, parents, in-laws, aunts, uncles, cousins, brothers and sisters, and their spouses or children. Exceptions may only be approved by the General Manager.

If employees become "relatives" as a result of marriage, they should not normally work in the same unit. We may require these employees to decide which employee will remain in the work unit. If the two employees are unable to decide which one will be transferred, we will decide which employee will be moved.

ACCESS TO COMPANY FACILITIES/EQUIPMENT

Company facilities were designed and constructed for paying guests. All employees are prohibited from utilizing company facilities unless they get written permission from the General Manager. Employees are prohibited from loitering around company facilities when they are not scheduled to work or for other than business reasons. Likewise, company equipment, including vehicles, office equipment, software, supplies, etc. is strictly for use in conducting company business. Use of company equipment or supplies for personal reasons could lead to disciplinary action including termination.

SOLICITATION AND DISTRIBUTION

To maintain and promote efficient operations, an attractive appearance, employee discipline, and security, we have established rules that govern solicitation, distribution of written material, and entry into our buildings and work areas.

Solicitation for any reason or cause and distribution of any literature are prohibited at all times in areas open to the public, except for our sales efforts.

No employee shall distribute any materials in work areas. Non-employees are never permitted to distribute literature or solicit our employees at any time on our property. This rule applies to any solicitation, including lotteries, magazine clubs, sales of goods, unions or social, civic or fraternal organizations.

Everyone is expected to comply fully with these rules. Violations may result in disciplinary action, including dismissal, and appropriate legal action. If you have any questions about this rule, talk to your supervisor or the Human Resources Department.

Any violation of this policy should be reported to your supervisor. There shall be no distribution of literature or solicitation of our employees by other employees during work hours when either the employees doing the solicitation or distributing the literature, or the employee being solicited or given literature, is on working time. This rule applies to any solicitation, including lotteries, magazine clubs, labor or social organizations, lodges and the like.

SOLICITATION AND DISTRIBUTION (CONT.)

The sale (or solicitation for sale) of commercial items such as plasticware, cosmetics, clothing, household sundries, or other similar products is strictly prohibited. The violation of any of the above rules may lead to disciplinary action, including discharge. All violations should be reported immediately to your supervisor.

UNIONS

One of the primary benefits in working for MDI Guam Corporation is that each member of the team deals directly with management in all matters concerning employment and advancement. It is not necessary for any of our employees to belong to a union in order to work at this company.

MDI Guam Corporation is a non-union company and has no union contracts. We consider this a high compliment to us and our employees, indicating that our people do not feel the need for third party, union agent representation.

We believe that all MDI Guam Corporation employees have a deep, mutual interest in the success of our company and that all of us have a tremendous interest in working together to meet our competition and succeed in the never-ending competitive race. When a third party is placed between management and employees, the third party must justify its position as an agent. Therefore, that agent has a vested interest in doing everything it can to separate employees from their management, thereby destroying that mutual interest.

What a paradox it is that in so many companies unions have actually been able to convince employees that their supervisors are their natural enemies and that they can somehow advance their own interests better by joining in unions with employees who are working for competitors.

The open shop has made possible the kinds of working relationships

UNIONS (CONT.)

and operating methods that produce solid values for our customers and strengthen the competitive position of our company. In this way, the open shop has given us the opportunity to provide our employees with outstanding earnings, benefits, working conditions, and job security. It is therefore our positive intention to oppose unionism in MDI Guam Corporation by all proper means and in particular by consistent treatment of each employee.

POINTS TO REMEMBER ABOUT THE UNION AUTHORIZATION CARD

It is quite possible that you may be approached by a union organizer or sympathizer and asked to sign an authorization card. You will most likely be told (incorrectly) that:

1. The cards are used only for purposes of getting an election, and;
2. They are confidential and the employer will never know who signed.

This is most likely what you will not be told:

1. The card may be a legal application for membership in a union and can bind the signer to dues, fees, and union discipline immediately.
2. Where it is an application for membership, the union can use signed cards to call a strike at any time after cards are signed (even before an election is held) and signers are committed to strike, no matter what their intentions were when they originally signed the cards.
3. The cards may be used to try to obtain certification of the union without an election if more than half the workers in the unit sign.

UNIONS (CONT.)

4. Cards are not confidential and the employer will know who signed. If the organizer needs to prove he or she has a majority or if management initiates legal challenge to the validity of cards, management has the right to examine the cards and even question the individual employees who signed.
5. Signing of a card may be a permanent commitment. It is very difficult, if not impossible, to get the card back once it has been turned in to the union.

DISCIPLINARY PROCEDURES

Adherence to standards for performance and behavior is necessary in order for us to operate in the most effective manner possible. The employment policies outlined in this handbook (though not all inclusive) are intended to provide minimum standards and guidelines that will insure the well disciplined and effective staff that is required to run a five-star property. To be effective, these rules must be enforced. The following discipline measures will be utilized to enforce company policies and procedures:

- Counseling;
- Misconduct Notices;
- Warnings;
- Suspensions;
- Terminations.

It is important to note that any disciplinary action will be tailored to the situation. Each situation will be handled on a case by case basis. Severe infractions, gross misconduct, negligence or other similar offenses may result in immediate suspension or termination. Please note that any disciplinary action administered by supervisor or management personnel may be appealed (where reasonable cause exists) to the General Manager. All cases will be final when reviewed and approved by the General Manager or his designated representative.

LAYOFFS

All businesses have their busy and slow periods. We do not foresee any serious slowdown in visitor arrivals that might make it necessary for us to cut back on operations and layoff employees. But, if you are temporarily laid off due to lack of work (a break in service less than 60 days constitutes a layoff), we will conduct the layoff under terms of the Worker Adjustment and Retraining Notification Act.

RESIGNATIONS

We ask resigning employees to give us at least two (02) weeks written notice. Employees who quit or resign "without notice" will be paid on the next regular payday. Any outstanding employee charges must be settled in full prior to your last day of work. Terminating employees must also turn in all keys, cashier banks, I.D. cards or other MDI Guam Corporation property.

TERMINATION

All terminations are approved by the General Manager. Termination of employment is a serious matter which normally, but not always, may occur after corrective discipline has failed. Remember, you, or MDI Guam Corporation, may terminate the employment relationship at any time --- with or without cause and with or without notice. If you want to discuss your termination, an appointment may be scheduled with the General Manager.